

Amendments to Senate Bill No. 258
1st Reading Copy

SENATE TAXATION 4
EXHIBIT NO. _____
DATE 2.16.09
BILL NO. SB258

Requested by Senator Christine Kaufmann

For the Senate Taxation Committee

Prepared by Lee Heiman
February 16, 2009 (8:09am)

1. Title, line 10.

Following: "AMOUNT;"

Insert: "PROVIDING THAT ANY INCREASED COLLECTIONS RESULTING FROM
THE HIGHER RATES BE ALLOCATED TO THE QUALITY EDUCATOR ENERGY
FOR EDUCATION ACCOUNT;"

2. Title, page 1, line 11.

Strike: "SECTION"

Insert: "SECTIONS"

Following: "15-36-304"

Insert: "AND 15-36-331"

3. Page 1, line 27.

Following: "gas"

Insert: ":

(i) first 12 months of qualifying production 0.5% 14.8%

(ii) after 12 months:

(A) "

4. Page 1.

Following: line 27

Insert: "(B) post-1999 wells 9% 14.8%"

5. Page 2, line 11.

Following: "average"

Insert: "Henry hub spot"

Following: "natural gas"

Insert: "for the calendar quarter"

6. Page 4, line 5.

Strike: "2007"

Insert: "2009"

7. Page 5, line 19.

Insert: "Section 2. Section 15-36-331, MCA, is amended to read:

"15-36-331. Distribution of taxes. (1) (a) For each
calendar quarter, the department shall determine the amount of
tax, late payment interest, and penalties collected under this
part.

(b) For After deducting the amount required under subsection (2)(c), for the purposes of distribution of oil and natural gas production taxes to county and school district taxing units under 15-36-332 and to the state, the department shall determine the amount of oil and natural gas production taxes paid on production in the taxing unit.

(2) (a) The amount of oil and natural gas production taxes collected for the privilege and license tax pursuant to 82-11-131 must be deposited, in accordance with the provisions of 17-2-124, in the state special revenue fund for the purpose of paying expenses of the board, as provided in 82-11-135.

(b) The amount of the tax for the oil, gas, and coal natural resource account established in 90-6-1001 must be deposited in the account.

(c) Increased oil and natural gas production tax collections due to the operation of 15-36-304(3)(a), (4)(a), (6)(a)(ii), and (6)(b)(i)(B) must be deposited by the department in the state special revenue fund to be used for the quality educator energy for education payment under [section 2 of House Bill No. 388]. On or after November 1 of each year, the department shall report the amount of collections, including late payment interest and penalties, for the prior fiscal year ending June 30 to the office of budget and program planning.

(3) (a) For each tax year, the amount of oil and natural gas production taxes determined under subsection (1)(b) is allocated to each county according to the following schedule:

Big Horn	45.05%
Blaine	58.39%
Carbon	48.27%
Chouteau	58.14%
Custer	69.53%
Daniels	50.81%
Dawson	47.79%
Fallon	41.78%
Fergus	69.18%
Garfield	45.96%
Glacier	58.83%
Golden Valley	58.37%
Hill	64.51%
Liberty	57.94%
McCone	49.92%
Musselshell	48.64%
Petroleum	48.04%
Phillips	54.02%
Pondera	54.26%
Powder River	60.9%
Prairie	40.38%
Richland	47.47%
Roosevelt	45.71%
Rosebud	39.33%

Sheridan 47.99%
 Stillwater 53.51%
 Sweet Grass 61.24%
 Teton 46.1%
 Toole 57.61%
 Valley 51.43%
 Wibaux 49.16%
 Yellowstone 46.74%
 All other counties 50.15%

(b) The oil and natural gas production taxes allocated to each county must be deposited in the state special revenue fund and transferred to each county for distribution, as provided in 15-36-332.

(4) The department shall, in accordance with the provisions of 17-2-124, distribute the state portion of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3) as follows:

(a) for each fiscal year through the fiscal year ending June 30, 2011, to be distributed as follows:

(i) 1.23% to the coal bed methane protection account established in 76-15-904;

(ii) 1.45% to the natural resources projects state special revenue account established in 15-38-302;

(iii) 1.45% to the natural resources operations state special revenue account established in 15-38-301;

(iv) 2.99% to the orphan share account established in 75-10-743;

(v) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 20-25-423; and

(vi) all remaining proceeds to the state general fund;

(b) for fiscal years beginning after June 30, 2011, to be distributed as follows:

(i) 2.16% to the natural resources projects state special revenue account established in 15-38-302;

(ii) 2.02% to the natural resources operations state special revenue account established in 15-38-301;

(iii) 2.95% to the orphan share account established in 75-10-743;

(iv) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 20-25-423; and

(v) all remaining proceeds to the state general fund."

{ Internal References to 15-36-331:

15-36-304	15-36-332	15-36-332	15-36-332
15-38-301	15-38-302	75-10-743	76-15-904
82-11-135	90-6-1001	}"	

8. Page 5, line 23.

Insert: "COORDINATION SECTION. Section 4. Coordination instruction. If House Bill No. 388 is not passed and approved,